

ADMINISTRATION AND FINANCE COMMITTEE

DATE: May 23, 2006

CALLED TO ORDER: 5:04 p.m.

ADJOURNED: 6:18 p.m.

ATTENDANCE

Attending Members

Joanne Sanders, Chair
Lynn McWhirter
Jackie Nytes
Lincoln Plowman
Steve Talley

Absent Members

Vernon Brown
Lance Langsford

AGENDA

PROPOSAL NO. 164, 2006 - authorizes the Marion County Board Of Commissioners to dispose of certain real property commonly referred to as "the Kitley property" and "the 3252 Sutherland property", and that the Marion County Treasurer be designated as the acting disposing agent on the behalf of the Commissioners for the transaction described
"Tabled" Vote: 5-0

PROPOSAL NO. 307, 2006 - clarifies and formally creates the Indianapolis Landmark Building Preservation Fund created by Proposal No. 489, 1999 (Fiscal Ordinance No. 99, 1999)
"Do Pass" Vote: 5-0

PROPOSAL NO. 240, 2006 - approves an appropriation of \$183,000 in the 2006 Budget of the Office of Finance and Management (Landmark Building Preservation Fund) for the purpose of conducting a HVAC/Exhaust study and making capital repairs and improvements to electrical and plumbing systems at the City Market
"Do Pass as Amended" Vote: 5-0

PROPOSAL NO. 275, 2006 - approves an increase of \$1,100,000 in the 2006 budget of the Marion County Treasurer (County General Fund) for the expected investment interest expense that will exceed the current appropriations (The increased investment activity of the Treasurer will lead to increased investment revenue to offset the additional investment interest expense)
Postpone" until June 13, 2006 Vote: 5-0

PROPOSAL NO. 276, 2006 - amends the Code for the purpose of clarifying regulations regarding the requirements for registration to use sidewalk sales areas

“Do Pass”

Vote: 5-0

PROPOSAL NO. 277, 2006 - appropriates \$1,880,080 to the Information Services Agency (Information Services Internal Service Fund) to provide funding for a city-county enterprise-wide upgrade of the Microsoft Windows Operating System, including Outlook Exchange and Office Professional 2003, financed by fund balance

“Do Pass”

Vote: 5-0

ADMINISTRATION AND FINANCE COMMITTEE

The Administration and Finance Committee of the City-County Council met on Tuesday, May 23, 2006. Chair Joanne Sanders called the meeting to order at 5:04 p.m., with the following members present: Lynn McWhirter, Jackie Nytes, Lincoln Plowman, and Steve Talley. Absent were Lance Langsford and Vernon Brown. Also in attendance was Aaron Haith, General Counsel for the Council.

PROPOSAL NO. 164, 2006 - authorizes the Marion County Board Of Commissioners to dispose of certain real property commonly referred to as "the Kitley property" and "the 3252 Sutherland property", and that the Marion County Treasurer be designated as the acting disposing agent on the behalf of the Commissioners for the transaction described

Chair Sanders stated that discussions have taken place with the Marion County Treasurer, and at this time they would like to further investigate other options for these particular properties, which may include using it to gain some credit towards our air quality status.

Councillor Nytes moved, seconded by Councillor McWhirter, to "Table" Proposal No. 164, 2006. The motion carried by a vote of 5-0.

Chair Sanders asked for consent to act on Proposal No. 275, 2006 next. Consent was given.

PROPOSAL NO. 275, 2006 - approves an increase of \$1,100,000 in the 2006 budget of the Marion County Treasurer (County General Fund) for the expected investment interest expense that will exceed the current appropriations (The increased investment activity of the Treasurer will lead to increased investment revenue to offset the additional investment interest expense)

Chair Sanders stated that the County Treasurer would like to postpone this proposal to the next meeting.

Councillor McWhirter asked why this proposal is being postponed. Chair Sanders said some questions were raised by the Bond Bank, and they would like to look into what the issues are and then move forward.

Councillor Talley moved, seconded by Councillor McWhirter, to "Postpone" Proposal No. 275, 2006 until June 13, 2006. The motion carried by a vote of 5-0.

PROPOSAL NO. 307, 2006 - clarifies and formally creates the Indianapolis Landmark Building Preservation Fund created by Proposal No. 489, 1999 (Fiscal Ordinance No. 99, 1999)

Councillor Nytes said the purpose of this proposal is to ensure the Landmark Building Preservation Fund (LBPF) is properly created. She said she is in support of the facilities

that are covered by this fund. This proposal allows for a proper basis in law for whatever is done on behalf of these facilities.

Amy McFadden, Deputy Controller, said the LBPF was created in 1999 through the budget ordinance and was funded through the city cumulative fund. She said this fund has earned interest over the years, along with transfers from the cumulative fund. Ms. McFadden said the available cash balance is \$722,567 and of that amount, \$373,260 has been previously appropriated.

Councillor McWhirter asked for clarifications on what the original amount was and how much was put into the fund. Ms. McFadden said in 1999 \$750,000 was appropriated in the funds through the budget. In 2000 the fund earned interest of \$16,425; in 2001 it earned interest of \$25,870; in 2002 it earned interest \$29,875; in 2003 it earned interest of \$24,518; in 2004 it earned interest of \$20,824; and in 2005 interest was earned in the amount of \$18,795.

Chair Sanders asked if only the City Market and Indiana Theatre were specified when the fund was initiated. Ms. McFadden said it included historic buildings and these buildings were the examples. Chair Sanders asked who the defined owner is of Union Station. Robert Clifford, City Controller, said Union Station is owned by the city and managed by an agreement with the Bond Bank. He said the station is currently self-sustained.

Councillor Talley asked if all appropriations to this fund go through the Council. Chair Sanders replied in the affirmative.

Councillor Nytes moved, seconded by Councillor Talley, to send Proposal No. 307, 2006 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

PROPOSAL NO. 240, 2006 - approves an appropriation of \$183,000 in the 2006 Budget of the Office of Finance and Management (Landmark Building Preservation Fund) for the purpose of conducting a HVAC/Exhaust study and making capital repairs and improvements to electrical and plumbing systems at the City Market

Councillor Nytes introduced an amendment to Proposal No. 240, 2006 (Exhibit A, attached). She said the City Market had a fire a couple months ago and there is a deductible that has to meet with the help of this fund. Councillor Nytes said with this amendment the additional appropriations will now total \$283,000.

Councillor McWhirter asked if the city is self-insured. Mr. Clifford said the city is self-insured on liability insurance (i.e. if the city is sued by a citizen); however, the city is not self-insured in regards to the buildings it owns.

Councillor Nytes moved, seconded by Councillor Talley, to “Amend” Proposal No. 240, 2006 per Exhibit A. The motion carried by a vote of 5-0.

Nicki Longworth, representative of the City Market, gave an overview of the current plans for the City Market (Exhibit B, on file in the Council office). She said the City Market Board did some research and went through a design process and the results are found in Exhibit B. She said they were able to do \$216,000 worth of planning and research with the funds from grants and pro bono services from companies listed in Exhibit B and anticipate using the LBPF for the items in red (also found in Exhibit B). Ms. Longworth said the other recommended improvements will be phased in as funds are raised to complete them. Some recommendations include: flooring, light fixtures, electrical distribution, etc.

Chair Sanders asked if the board is looking at other city markets during the renewal stage. Ms. Longworth replied in the affirmative and said they brought in people that designed public markets around the world.

Councillor Talley asked if the disbursements of this fund are mainly used for capital projects. Chair Sanders replied in the affirmative.

Councillor Plowman asked if the \$1.8 million for the total project is what the community is putting in. Ms. Longworth said the \$1.8 million is the total of the renewal of the City Market and does not include the additional \$100,000 from the fire. The \$1.8 million covers the capital improvement plus a major relaunch marketing campaign (to reintroduce citizens to the City Market). She said \$533,000 would come from the city and \$216,000 in grants and pro bono. The remainder of the money needed would be raised.

Councillor Talley moved, seconded by Councillor Nytes, to send Proposal No. 240, 2006 to the full Council with a “Do Pass as Amended” recommendation. The motion carried by a vote of 5-0.

PROPOSAL NO. 276, 2006 - amends the Code for the purpose of clarifying regulations regarding the requirements for registration to use sidewalk sales areas

Ms. McFadden said the existing ordinance has been modified to ensure sidewalk cafes are in compliance with all ADA regulations as well as public safety guidelines. She said with all the modifications, the goal was to still make sure businesses in downtown and Broad Ripple had the opportunity to have these cafes available. She said the cafes are beneficial to economic development and the look and feel of the city. Ms. McFadden went on to discuss the memo, which highlights the proposed changes in the existing ordinance (Exhibit C, on file in the Council office).

Chair Sanders asked how many sidewalk cafes currently exist. Ms. McFadden said they have received about 30 café applications but they have been holding off contacting all cafes until the proposed changes are implemented.

Councillor McWhirter asked if sidewalk cafes include hot dog stands. Ms. McFadden replied in the negative and said a sidewalk café is any restaurant that has tables outside for dining. Councillor McWhirter asked if these proposed changes will affect existing sidewalk cafes. Ms. McFadden said they do not predict any problems and have researched existing cafes to accommodate most of those businesses. She said if problems do arise they plan to work with those businesses.

Councillor Plowman asked how cafes that are narrower than five feet will be handled. Ms. McFadden said the five feet requirement already exists in the ordinance. Greg Fehribach, outside Counsel for the Office of Corporation Council, said they are not disallowing a sidewalk café to exist if the sidewalk is not five feet. He said some of the older sections of the city have smaller sidewalks. Mr. Fehribach said the business owner does have to evaluate their café as a whole in regards to this ordinance.

Councillor Talley moved, seconded by Councillor Nytes, to send Proposal No. 276, 2006 to the full Council with a “Do Pass” recommendation. The motion carried by a vote of 5-0.

PROPOSAL NO. 277, 2006 - appropriates \$1,880,080 to the Information Services Agency (Information Services Internal Service Fund) to provide funding for a city-county enterprise-wide upgrade of the Microsoft Windows Operating System, including Outlook Exchange and Office Professional 2003, financed by fund balance

Beverly Dillon, Management Analyst, said the appropriation will be used to cover some of the anticipated cost for the Microsoft migration. She said the Internal Service Fund was designed to help pay for this type of initiative. Ms. Dillon said the Microsoft migration will save time and money by reducing incompatibility between the city/county employees and external customers, increase productivity, and keep the city-county current with the delivery of the latest technology upgrades.

Shital Patel, Chief Information officer, gave a presentation on the benefits of moving to the Microsoft Platform (Exhibit D, on file in the Council office). Key points are as follows:

- Microsoft migration is an update on all desktops and servers

Chair Sanders asked if 2003 is the most updated version. Ms. Patel replied in the affirmative. She said they will have rights to upgrade any new versions to the programs.

Councillor Talley asked why desktops are only being upgraded. Ms. Patel said laptops are included in the upgrade.

- The benefit of migrating to Microsoft Platform is that it provides the ability to quickly build, deploy, manage, and connect information, people, systems, and devices effectively
- This migration allows the enterprise to stay current with the latest technology and improves communication between city/county employees, internal and external customers and vendors

Councillor Nytes asked if training will be provided on the updated system. Ms. Patel replied in the affirmative.

Chair Sanders asked if they project any down time during the migration. Ms. Patel said they have a projected plan on when each department will be updated to not interfere with their busy time periods. Rick Petrecca, Project Manager, said they are in the process of finalizing their roll out plan for the migration. He said they will update groups of people at a time and do not anticipate any down time. Chair Sanders asked what the time frame to begin the migration is. Mr. Petrecca said some pilots will begin in early August and should be completed by December 22, 2006.

Councillor Nytes asked if this migration is top priority. Ms. Patel said they are trying to manage their resources and should be fine in handling other projects along with the migration. Councillor Nytes clarified that the appropriation is not coming from the fund balance but from a fund Information Services Agency has obtained. Ms. Patel replied in the affirmative and stated that the Information Technology board has approved this project.

Councillor Talley moved, seconded by Councillor McWhirter, to sent Proposal No. 277, 2006 to the full Council with a “Do Pass” recommendation. The motion carried by a vote of 5-0.

Presentation on the Strategic Sourcing Project – Amy McFadden, Office of Finance and Management

Ms. McFadden gave a summary of the project, which is seeking more effective and efficient sources of products used by local government (Exhibit E, attached). She said the city-county continue to have issues with budgets, even after budget cuts, and property revenues are not growing as anticipated. She said at this time their only option is to look at how the city-county is spending money. She said a spend analysis is needed to look at what type of contracts the city-county has, how money is being spent on goods and services, and help take advantage of more competitive business practices. Ms. McFadden said the vendor they have chosen is CGI (formerly Silver Oak Solutions). She said CGI has performed a similar project with Portland, Oregon and are very familiar with the public sector. CGI has provided a warranty that they will create at least three times their fee in savings. If those savings are not seen, the city-county is not charged and CGI will continue to work on those savings. Ms. McFadden said payments will not be due until

eight months out, which will be after savings are realized. She said payments will be made out of savings and will not increase the budget in any way.

Amy Acampora, representative of CGI, said CGI has conducted over 540 spend management projects with 114 private and public sector clients. She said there are other companies that have done this project and CGI has done 80% of those. Ms. Acampora said they are able to take Indianapolis-Marion County data and put it into their system to generate information that is customized for our city-county only. She said this project will consist of looking at what the city-county purchases for eight to ten weeks. Recommendations will then be made, followed by changes in purchasing, a progress review and training all to be done in five months, then followed up on the next two years.

Councillor Nytes asked if this project is aimed for Character 2 of the budget. Ms. McFadden said it could be Character 2 or 3. Councillor Nytes said her concern is that by law there are more restrictions on how purchasing is done in Character 2.

Councillor McWhirter asked from where the \$3.5 million for the payment is coming. Ms. McFadden said the \$3.5 million would not increase any budget. She said it would come from budgets that will have savings and funds would then need to be appropriated. Councillor McWhirter asked what happens if the anticipated savings are not achieved. Ms. McFadden said it is part of the agreement, if the savings are not made the city-county does not pay. Councillor McWhirter asked when the payment of \$3.5 million would need to be paid after savings is achieved. Ms. McFadden said it will not be a one time payment; instead it will be phased in over the course of the contract, which is three years. Councillor McWhirter asked if savings continue to be achieved after the three years. Ms. McFadden said that because of the training that is provided savings should continue.

CONCLUSION

With no further business pending, and upon motion duly made, the Administration and Finance Committee of the City-County Council was adjourned at 6:18p.m.

Respectfully submitted,

Joanne Sanders, Chair
Administration and Finance Committee

JS/as

